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RHMFIUU/USCBP WASHINGTON DC PRIORITY
RHEBAAA/DEPT OF ENERGY WASHINGTON DC

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SENSITIVE
SIPDIS

STATE FOR ISN/ECC - YWONG, ACHURCH, NJOHANSON, AND ROWEN
STATE FOR EAP/TC - MTOYRYLA, DPARKER
STATE FOR ISN/MTR - PDURHAM, SBOYER, JMAYES, AND RPALMIERO
DHS/CBP/INA FOR MAWATT
DOE/NNSA/INECP FOR TPERRY AND SJONES

E.O. 12958: N/A

TAGS: [ETTC](#) [MNUC](#) [PARM](#) [PREL](#) [KSTC](#) [KNNP](#) [TW](#)

SUBJECT: EXBS: TAIWAN MONTHLY REPORTING CABLE - DECEMBER 2008

II. BROAD ITEMS OF INTEREST TO ADVISORS AND AGENCY MANAGERS:

(SBU) The Advisor drafted the export control section of AIT Director Stephen Young's speech for the 2008 International Conference on Homeland Security and Technology held on December 11 in Taipei. A summary of press reports on the export control part of the speech from the United Daily News and Economic Daily News follows:

BEGIN SUMMARY

In the 2008 International Conference on Homeland Security and Technology Wednesday, AIT Director Stephen Young said "a by-product of Taiwan's amazing economic success is that it now produces many products and technologies of potential interest to terrorists." Responding to this statement, Taiwan's technology companies said the U.S. is the main country that develops high technology and Taiwan companies can only be regarded as technology-manufacturing companies. However, some companies admitted that Taiwan machine tools are cost-effective and therefore have become favorites of many terrorist organizations and countries supporting terrorism. Taiwan companies also pointed out that terrorist organizations' procurement of Taiwan products is because of globalized trade and that Taiwan companies should not be blamed their action.

END SUMMARY

II. COMPLETED ACTIONS FOR THE REPORTING PERIOD

IA. SITE ASSESSMENTS AND MEETINGS DURING REPORTING PERIOD:

11. (SBU) On the margins of the Industry-Government Outreach Program in Taichung (December 10 - 11), the Advisor met with an official from the National Science Council (NSC) to get an update on the Transfer of Intangible Technology Legislation. The official stated that the legislation still is in draft stage. The Advisor said she heard from other Taiwan agencies that the likelihood of the Executive Yuan (EY) submitting the bill to the Legislative Yuan (LY) for consideration is slim, and that should the EY submit the bill to the LY, the chances of the LY actually passing such a bill is slim to none. The official agreed that that is the current assessment.

(SBU) The official did, however, agree with the Advisor that under the current regulatory scheme, Taiwan could control exports of technology despite the Bureau of Foreign Trade's (BOFT) interpretation that it does not have such authority. The official said the NSC and BOFT have had discussions on this very issue and hopes that BOFT will broaden its interpretation of its own authority. The NSC official is a lawyer and works in the Legal Affairs Committee.

(SBU) (Note: Taiwan incorporated all items controlled by

nonproliferation regimes into its national control list. However, it did not change the language in the regulations to specifically control technologies that are on the control list. The Advisor has had numerous discussions on this inconsistency and has stated BOFT could interpret the language so that technology is controlled if it so desires. In the past, BOFT stridently disagreed with the broader interpretation. Recently, however, the Advisor's sense is that BOFT is thinking its strict interpretation of the regulations may not be the proper one.)

¶2. (SBU) On December 16, the Advisor met with an official from the Department of Treaty and Legal Affairs of the Taiwan Ministry of Foreign Affairs to discuss Taiwan's latest attempt to participate in the Organization on the Prohibition of Chemical Weapons 2008 Conference of States Parties. As happened on eight previous occasions, Taiwan's application to participate in the Conference, even as a non-governmental organization, was blocked by China. AIT sent a separate note on the CWC issue to certain offices at State.

¶B. BLUE LANTERN:

(SBU) No checks were conducted by the Advisor during the reporting period.

III. TRAINING CONDUCTED DURING REPORTING PERIOD:

(SBU) On December 10-11, an Industry-Government Outreach Program, implemented by the Department of Energy, was held in Taichung. Approximately 75 company representatives and Taiwan officials attended the program. The goal of the program was to increase industry's awareness of its export control responsibilities and to stress the importance of industry-government cooperation in meeting international nonproliferation goals. Most of day two was devoted to presentations and demonstration of the ICP software, a tool that companies can use to comply with export control laws and regulations. A separate note on the advisability of having consultants participate as industry representatives for IG programs has been sent to ECC.

IV. UPCOMING TRAINING:

¶1. (SBU) On December 12, AIT, CTP, and BOFT agreed to the following schedule related to the ICP software development project:

ICP completion - end of December 08;
ICP pilot test with Taiwan companies/users - second week of January 09;
Train-the-trainer - March 11 - 13, 2009;
Kick-off Conference - March 31, 2009;
Deployment 1 (Hsinchu) - April 16 - 17, 2009;
Deployment 2 (Taichung) - May 2009;
Deployment 3 (Tainan) - June 2009; and
Deployment 4 (Kaoshiung) - July 2009.

ECC program manager(s) have been getting regular updates on the above schedule.

¶2. (SBU) From February 24 - 27, WMD Enforcement Training, implemented by the Immigration and Customs Enforcement, is scheduled to take place in Taipei.

¶3. (SBU) From April 6 - 10, 2009, Hazardous Materials Response Training, implemented by Customs and Border Protection, is notionally scheduled to take place in Taipei.

¶4. (SBU) From April 27 - May 1, 2009, Radiological Detection Training, implemented by the Department of Energy, is scheduled to take place in the State of Washington.

¶V. DECEMBER/JANUARY MEETINGS:

The Advisor will be in Washington for consultations and annual leave beginning December 22. She will return to AIT at the end of January 2009, after the Lunar New Year.

VI. RED FLAG ISSUES:

None.

POC for this report is Mi-Yong Kim, EXBS Advisor. Telephone +886 2
2162 2347.

YOUNG